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1980 UNITED NATIONS PLEDGING CONFERENCE FOR DEVELOPMENT ACTIVITIES

SUMMARY RECORD OF THE 3rd MEETING

Held at Headquarters, New York,
on Friday, 7 November 1980, at 10.30 a.m.

President: Mr. MUÑOZ LEDO (Mexico)

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The meeting was called to order at 11.05 a.m.

STATEMENTS REGARDING PLEDGES (continued)

1. The representative of MOZAMBIQUE said that, his Government had decided to become a member of the United Nations Industrial Development Organization and to make a token contribution of $4,000 to the United Nations Industrial Development Fund.

2. Ms. KAHAL (Secretary of the Conference) said that, in accordance with rule 21 of the rules of procedure, the Secretary-General would maintain the list of pledges made or announced at the Conference until 30 June 1981. In the meantime, Member States could enter any additional pledges; the total would be published subsequently.

ADOPTION AND SIGNATURE OF THE FINAL ACT (A/CONF.105/L.1)

3. The PRESIDENT said that, if there was no objection, he would take it that the Final Act of the Conference (A/CONF.105/L.1) was adopted, and he invited the participants to append their signatures to it.

4. The Final Act was adopted and signed by representatives of Governments attending the Conference.

CLOSURE OF THE CONFERENCE

5. Mr. MORSE (Administrator, United Nations Development Programme) reported that 97 Governments had announced specific contributions to UNDP for the year 1981, totalling $482 million, including contributions towards programme costs. A number of traditional large contributors had been unable to announce their pledges because of national budgetary procedures but, even taking that into account, an approximate calculation suggested an annual rate of increase dangerously below the planning target established by the Governing Council and endorsed by the Second Committee at the current session of the General Assembly. Sadly, that would not meet the current world-wide rate of inflation, which meant that anticipated resources in 1981 would be less, in real terms, than the already unsatisfactory 1980 level. However, it was encouraging to note that some Governments had indicated their pledges on a multi-year basis to meet the concern for the predictable, assured and expanding financial base which was absolutely essential to guarantee effective programme planning. He urged all Governments in a position to do so to follow that example. From the standpoint of effective financial management, he also urged Governments to make payment of their 1981 pledges as early as possible and to settle immediately any outstanding payments for 1980 or earlier.

6. He particularly thanked the 29 Governments whose contributions for 1981 exceeded previous pledges by 14 per cent or more. It was heartening that several developing countries, including some moderate-income and low-income countries, were among that number. That demonstrated the degree to which they regarded UNDP development

assistance as a vital element in their over-all endeavours; self-help by low-income developing countries set a positive example to those with much greater ability to provide resources for development.

7. Despite those encouraging individual results, he wished to record his profound disappointment that the increase in contributions so far announced was only approximately 8 per cent. The Programme was not immune to the effects of world-wide inflation, and in real terms the result would be a second year of substantial decline. For that reason, he reiterated his urgent appeal to Governments that had not yet made a final decision on their contributions to take account of the need to ensure that the current planning cycle concluded in conditions of total financial security, and to remember that the pledges made for 1981 would significantly influence the review of the Governing Council's target for the next cycle, which was likely to be about $6,550,000 million. He also renewed his appeal to those countries which had not pledged for programme costs to do so without delay. The understanding that the change from assessed to voluntary programme costs during the current planning cycle would not result in any diminuation in contributions had unfortunately not been borne out by experience.

8. It was heartening that 35 Governments had pledged $27.6 million to the United Nations Capital Development Fund, which was an excellent example of the integration of capital assistance and technical co-operation in the United Nations system. He would like to underscore the appeal made by the Secretary-General for contributions to UNCDF. However, he was deeply concerned about the United Nations Special Fund for Land-locked Developing Countries and the Interim Fund for Science and Technology for development. Only $63,000 had been pledged to the former, and the additional $1.6 million pledged to the latter fell considerably short of the substantial demands made on the Interim Fund and was, of course, well below the Vienna target of a minimum $250 million to which Governments had pledged themselves. As he had stated at the last session of the Governing Council, it was an important principle that special-purpose funds should not be created by a well-intentioned world, only to wither for lack of financial support. A basic question of credibility was involved.

9. If the development effort was to progress effectively in an era of limited resources, it was absolutely vital that a proper capital/technical assistance ratio should be maintained in the development mix. Renewed emphasis on technical co-operation and a significant increase in resources for that purpose was being called for in the new International Development Strategy. While he was, of course deeply grateful for the increased pledges made by a number of traditional donors and for the substantial increases announced by a large number of developing countries, he would be less than honest if he failed to record his very profound concern at what some might interpret as a lack of appreciation of technical co-operation as a critical component of the development process, an erosion of support for the central funding and co-ordinating role of UNDP or an erosion of confidence in the administration of the Programme, for which he had been personally responsible since January 1976.

(Mr. Morse, UNDP)

10. In a period of persistent inflation, stagnating economies in many parts of the world were leading many Governments to reduce their public expenditure, making foreign assistance an attractive target for cuts. In the light of their obligation to pay assessments to the United Nations and its specialized agencies, as well as to meet large unanticipated demands for humanitarian assistance, and to provide the capital for the major international financial institutions, it was understandable and predictable that UNDP, entirely financed from voluntary funds, would be particularly vulnerable. Yet he urged all Governments to understand that the kind of technical co-operation UNDP provided enhanced the cost-effectiveness of the massive investments being made through the financial institutions. It was likewise necessary to understand the importance of technical co-operation in developing the all-important human resources of the developing countries. He appealed to all representatives present to inform their Governments of the urgency and gravity of the situation he had described.

11. Mr. SALAS (Executive Director, United Nations Fund for Population Activities) thanked all the countries which had pledged contributions to UNFPA, especially those which had substantially increased their contributions and those which had become contributors for the first time. Taking into account contributions still expected, the Fund's resources would probably increase by between 11 and 14 per cent in 1981. While that increase was considerable, it was far from adequate to meet the increasing demands for assistance from the Fund, and that would have implications for the programme in 1981. The Fund faced monumental tasks in seeking to stabilize the world's population by the middle of the next century, at which time it was expected to stand at some 10 billion, with cities in some 60 countries having populations of as much as 30 million. The dimensions of the population problem surpassed anything ever before experienced, and the efforts of the developing countries to solve it in accordance with their national policies must continue to be supported by the United Nations, their preferred source of assistance.

12. Mr. GRANT (Executive Director, United Nations Children's Fund) said that 84 Governments had announced pledges to the general resources of UNICEF amounting to $108 million for 1981. In addition, approximately $9 million had been pledged in the form of specific-purpose contributions. It was estimated on the basis of past experience that another $60 million or so would be pledged in the months ahead, for an estimated total of $167 million. That represented an increase of $20 million, or nearly 14 per cent, over the contributions expected for 1980, but left a shortfall of $10 million when compared to the level of contributions expected in the UNICEF medium-term work plan for 1981. Moreover, the projected increase barely covered the effects of world-wide inflation, which would seriously affect all operational activities of agencies financed from voluntary contributions. The Fund's total revenue target, as approved by the Executive Board, was $290 million for 1981, which included $75 million from the general public. The most important single source of funding remained the voluntary contributions of Governments and, since a shortfall of $10 million was projected in general resources, he sincerely hoped that donor Governments would increase their contributions for specific purposes, by that amount. The revenue target for 1981 had been set on the assumption of substantially lower inflation and before the consensus had been reached on the new International Development Strategy, which placed a high priority

(Mr. Grant, UNICEF)

on social development. New hopes and expectations had been aroused in developing nations, and an increase in requests for assistance could be expected. UNICEF had also been assigned new responsibilities by the General Assembly for the follow-up to the International Year of the Child. It was not, therefore, a time for stagnation.

13. He was conscious of the difficult economic situation and financial constraints faced by many Governments and was therefore appreciative of the efforts several had made to increase their contributions. He had been especially encouraged by the efforts of a number of developing countries to increase their contributions substantially, despite their even greater vulnerability to the prevailing world economic difficulties. Several major donors, however, had not announced increased contributions.

14. He had been gratified by the statements in support of the establishment of a Gulf Arab States Foundation, which would undoubtedly help UNICEF to meet some of the needs to which he had referred. He was also conscious that, over the years, a number of delegations had expressed concern that the burden of supporting the operational activities of the United Nations should be shared equitably. The establishment of the Gulf Arab States Foundation represented an important step in that direction, and he hoped that traditional donors to UNICEF would respond, in turn, by considerably increasing their contributions in the years ahead. He deeply appreciated the leadership of the Gulf Arab States at a critical time for the United Nations system.

15. With regard to the need to ensure increased resources in real terms on a predictable and assured basis, he noted with satisfaction that some Governments had announced multi-year pledges and hoped that others would find it possible to do so in the future.

16. Mrs. SIPILA (Assistant Secretary-General for Social Development and Humanitarian Affairs) expressed gratitude for the pledges to the Voluntary Fund for the United Nations Decade for Women totalling $1,516,934. It was hoped that those Governments which had been unable to announce their pledges at the Conference would contribute at a later date. The best way to promote the welfare of families was to assist women, who were often bypassed by other projects. The Voluntary Fund financed projects in developing countries, especially the least developed among them, aimed at enabling women to become productive and at increasing the earning capacity of low-income women, thereby benefiting their children and families. Virtually all contributions to the Voluntary Fund were delivered to the grass-roots level, as its administrative costs amounted to only 2.8 per cent of its total budget. In that connexion, she expressed gratitude to UNFPA, UNDP and UNICEF for the administrative support they provided to the Fund.

17. She was heartened by the fact that eight countries had pledged contributions to the Voluntary Fund for the first time, including a number of developing countries which were recipients of its assistance, and that a number of developed countries were continuing to support the Fund in the first year since it had become

(Mrs. Sipila)

development-oriented. She hoped that traditional donors which had not yet announced contributions would do so in the near future. She hoped that non-governmental women's organizations, which were assigned responsibility for executing projects in many countries, might also become contributors to the Fund in future.

18. As the Director of the International Research and Training Institute for the Advancement of Women had not yet been appointed, it was her pleasant duty to thank participants, on behalf of the Secretary-General, for their generous contributions to INSTRAW, totalling $275,750.

19. Mr. CROOKE (United Nations Industrial Development Organization), speaking on behalf of the Executive Director of UNIDO, expressed appreciation to the participants for their positive statements in support of the activities of UNIDO and for their pledges to the United Nations Industrial Development Fund. While there had been an encouraging increase in the number of countries making pledges, it was disappointing to note that the amount of the contributions pledged had decreased. Sixty-five countries had pledged a total of $9,095,803; however, there were some which had been unable to make pledges at the Conference but had indicated that they would do so at a later date, and it was also hoped that other countries would be able subsequently to announce pledges. It was gratifying that a number of countries had increased their contributions. Although the financial resources of the Fund were still far below the annual funding level of $50 million endorsed by the General Assembly, it was hoped that it would soon become an adequate funding source for many special technical co-operation projects in the field of industry. The UNIDO secretariat would, of course, continue to devote its best efforts to making optimum use of the limited resources now available.

20. Mr. OKALI (United Nations Centre for Human Settlements (Habitat)), speaking on behalf of the Executive Director of the Centre, expressed appreciation for the pledges made to the Centre for Human Settlements - Habitat and Human Settlements Foundation. As a young organization, HABITAT viewed contributions not only as an expression of support for the development activities of the United Nations but, more important, as an expression of the commitment of donors to the Centre's goals and objectives and of their confidence in its effectiveness. Particular tribute was due to the large number of developing countries which had made and continued to make voluntary contributions to the Centre. There could be no clearer indication of the priority which those countries attached to human settlements than the pledges they made despite their own difficult economic circumstances. He was confident that that message would not be lost on potential developed country donors when they considered whether or not to provide funds for development activities in that area.

21. The total amount of voluntary contributions pledged at the Conference was $1,317,511; pledges communicated directly to the Centre brought that amount to approximately $1.4 million. In addition, a sum of $143,678 had been pledged to the Centre for 1982. Although the total was several million dollars short of the amount required to carry out the Centre's 1980-1981 work programme, it was encouraging that several countries had made contributions for the first time and

(Mr. Okali, Habitat)

that many countries which were not yet in a position to announce their pledges were giving the matter active consideration. The Centre, for its part, pledged that it would use the funds entrusted to it prudently and productively.

22. The PRESIDENT announced that the pledges made at the Conference to UNITAR totalled $420,816; to UNEP, $634,754; to UNHCR, $42,325; and to WFP, $3,000.

23. He declared the 1980 United Nations Pledging Conference for Development Activities closed.

The meeting rose at 12.55 p.m.